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SUBJECT: SEOUL - PRESS BULLETIN; October 9, 2009

TOP HEADLINES

Chosun Ilbo, Hankook Ilbo, All TVs
Military Seeks to Revive Incentives for Men who Finish Military
Service, a Move Likely to Invite Backlash
from Women's Associations

JoongAng Ilbo
ROKG to Restrict State-Controlled Companies'
Dollar Borrowing

Dong-a Ilbo
Military to Toughen Punishment for Draft Dodgers

Hankyoreh Shinmun
Blue House's Unconvincing Explanation of
Donation Allegations
Only Deepens Suspicions

Segye Ilbo
ROKG Seeks to Ban Civil Servant Labor Unions
from Joining Nation's Two Umbrella Labor Groups

Seoul Shinmun
Financial Supervisory Service to Toughen Rules
on Non-Bank Mortgages

DOMESTIC DEVELOPMENTS

According to an ROKG source, Seoul is considering sending troops or
police officers to Afghanistan to guard Korean citizens who are
working there providing medical and other non-military services.
Given the opposition parties' objection to sending troops to the
war-torn country, this move is likely to arouse controversy.
(Hankook, Segye, Seoul, MBC)

Foreign Minister Yu Myung-hwan said during yesterday's regular press
briefing that the recent seizure of four North Korean containers in
Busan is "part of measures to implement U.N Security Council
Resolution 1874." (Dong-a)

MEDIA ANALYSIS

-Afghanistan

Citing an ROKG source, most media reported that Seoul is considering sending troops or police officers to Afghanistan to guard Korean citizens who are working in Afghanistan providing medical and other non-military services. Noting the opposition parties' objection to sending troops to the war-torn country, the media surmised that this ROKG move is likely to arouse controversy.

Assistant Secretary of State Campbell's Asia Visit

Conservative Chosun Ilbo, right-of-center JoongAng Ilbo and moderate Hankook Ilbo noted Assistant Secretary Kurt Campbell's regional tour next week that includes visits to Japan and China, but not the ROK. The newspapers described this U.S. move as "unusual" and "incomprehensible," because this is a crucial time for closer ROK-U.S. coordination ahead of President Obama's Nov. 18-19 visit to Seoul and U.S.-North Korea talks. The newspapers also speculated that this development may be related to recent controversy over Assistant Secretary Campbell's remarks regarding a "grand bargain" proposed by President Lee Myung-bak to resolve the North Korean nuclear issue. Assistant Secretary Campbell said last month that he was "not aware of Lee's 'grand bargain' at all," creating a stir in the ROK because his statement gave the impression that there had been no prior discussion about the proposal between the two

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countries.

Conservative Chosun Ilbo editorialized: "It seems unnatural for Assistant Secretary Campbell to skip the ROK while visiting China and Japan, especially if his trip is intended to discuss agenda items for President Obama's upcoming Asia tour as reported. Seoul and Washington are saying that there are no bilateral differences about how to resolve the North Korean nuclear issue. However, after watching recent developments, we wonder if it is appropriate to take their words at face value."

Opinions/Editorials

IS THERE REALLY NO RIFT BETWEEN SEOUL AND WASHINGTON? (Chosun Ilbo, October 9, 2009, page 39)

Assistant U.S. Secretary of State for East Asian and Pacific Affairs Kurt Campbell is expected to visit Japan and China next week for advance talks about the agenda for U.S. President Barack Obama's first visit to Asia from Nov. 12 to 19. Obama visits Japan on Nov. 12 and 13, attends the APEC Summit in Singapore, and then visits China and the ROK, but Campbell will not be stopping in Seoul.

Foreign Minister Yu Myung-hwan on Thursday said the U.S. is holding "a sufficient amount of talks" with Korea about the summit "through various diplomatic channels." Yu added Campbell "may be busy."

In a speech in New York last month, President Lee Myung-bak suggested offering North Korea a "grand bargain" to get it to scrap its nuclear program, a one-shot deal involving security guarantees and international assistance. Campbell later said he was not aware of the president's comments, and the U.S. media quoted American government officials as saying the suggestion "goes too far." In a press conference after returning to Seoul, Lee appeared to publicly reproach Campbell, saying, "So what if 'Mr. So-and-So' says he is not aware of it."

The U.S. point man for East Asian and Pacific affairs does not always visit all three countries -- Korea, Japan and China -- when he flies to the region. Campbell, who was appointed in June, went only to the ROK and Japan in July and only to Japan between Sept. 17 and 19 to meet with the officials of the new administration. It seems unnatural for Assistant Secretary Campbell to skip the ROK while visiting China and Japan, especially if his trip is intended to discuss agenda items for President Obama's upcoming Asia tour as

reported.

Seoul and Washington are saying that there is no bilateral difference over how to resolve the North Korean nuclear issue. However, after watching recent developments, we wonder if it is appropriate to take their words at face value.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

FEATURES

REASON WHY U.S. UNDER SECRETARY VISITS "DAUM"
(Korea Economic Daily, October 9, 2009)

By Reporter Park Chul-eung

Daum Communications said on October 8 that U.S. Under Secretary Judith McHale visited the company in Hannam-dong, Seoul. The visit was aimed at learning about Internet services and new media trends in Korea.

Under Secretary McHale was briefed on Korea's Internet trends and Daum's business strategy and service operating system for about an hour.

Daum said that Under Secretary McHale showed particular interest in the Internet community of the U.S. Embassy in Seoul and examples of

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mutual cooperation between the Embassy and Daum.

Currently available on Daum are U.S. Ambassador to the ROK Kathleen Stephens' blog, "Shim Eun-kyong's Story in Korea," and the official online community of the U.S. Embassy in Seoul, which was opened in [12004](#).

In addition, Daum has hosted various events, including an "Internet-Mobile On-Air Discussion between USFK Commander and Netizen Panelists," "Meeting between the U.S. Embassy and Netizens about U.S. Visas," and an "Internet Opinion Leaders' Roundtable with U.S. Secretary Rice."

Meanwhile, Under Secretary McHale, who was the CEO of the global media company Discovery Communications from 1987 to 2006, is reported to be highly interested in the "contents industry" (companies owning and providing media products). At present, she is serving as the U.S. Under Secretary of State for Public Diplomacy and Public Affairs.

(Editor's Note: The same story was also carried by The Electronic Times and most major Internet media outlets, including Money Today, Digital Times, Digital Daily, and Newsis.)

DISPLEASED WITH CONTROVERSY OVER "GRAND BARGAIN" PROPOSAL?
(Chosun Ilbo, October 9, 2009, page 5)

By Reporter Lim Min-hyuk

U.S. Assistant Secretary Campbell Skips the ROK while visiting China and Japan

The U.S. Department of State said on October 8 that Assistant Secretary of State Kurt Campbell will attend a meeting of U.S. diplomatic mission chiefs in the East Asia and Pacific region, which will be held in Honolulu at the end of this week, and visit Japan and China next week. Attention is being drawn to why the planned regional trip by the Assistant Secretary this time excludes the ROK.

It is almost unprecedented for a U.S. Assistant Secretary of State for East Asian and Pacific Affairs to skip the ROK while visiting China and Japan since the days of his predecessor Christopher Hill. In addition, this U.S. move is deemed incomprehensible, given that

this is a crucial time for closer ROK-U.S. coordination ahead of President Obama's Nov. 18-19 visit to Seoul and U.S.-North Korea talks.

Therefore, some observers believe that this is related to a controversy over Campbell's remarks on President Lee's envisioned "Grand Bargain" proposal. Assistant Secretary Campbell said last month, "I was not aware of that" setting off concerns that the ROK and the U.S. lacked prior coordination. Later, President Lee indirectly expressed regret saying that it doesn't matter whether a U.S. official says he was not aware (of the proposal.)

The ROK's Foreign Ministry cautions against playing up this situation, saying that there is no reason to attach meaning (to skipping Korea on this trip). An ROKG official said that only Japan and China were included in his itinerary apparently because Japan has a new government and Campbell has not visited China since his appointment. The official also noted that the Assistant Secretary skipped China while visiting the ROK and Japan in July.

However, an ROK diplomatic source said that, especially at this time when the North Korean nuclear issue becomes sensitive, Campbell could demonstrate tight coordination (between the ROK and the U.S.) just by visiting an ally even if he does not have anything urgent to discuss, adding that this situation doesn't look good.

TOKOLA